



**Independent Accountants' Report on the Application
of Agreed-Upon Procedures on Indirect Cost Rates
Proposed by United States Conference of Catholic Bishops**

The Department of State, Office of Inspector General contracted with Regis & Associates, PC, Certified Public Accountants, to perform certain agreed-upon procedures to determine whether the indirect cost rates proposed by the United States Conference of Catholic Bishops for the years ended December 31, 2006, 2005, and 2004 complied with applicable regulations.

The independent accountants found the Conference's accounting system to be adequate for accumulating and reporting indirect costs under the provisions of Office of Management and Budget (OMB) Circulars A-122, Codified at 2 CFR Part 230, *Cost Principles for Non-Profit Organizations*, and A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*.

The independent accountants review disclosed that for 2006, 2005, and 2004, the Conference properly calculated and reported its indirect costs rates, and they took no exception to the proposed rates. They recommended that the Department accept and finalize the indirect cost rates for 2006, 2005, and 2004 as recommended in their report.

Office of Inspector General

The Office of Inspector General conducts independent audits, inspections, and investigations to promote effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors, and the foreign affairs community.